

INTERNAL POLICY FOR DEALING WITH CONFLICTS OF INTEREST OF INTERMEDIARIES

1. Policy Title

Internal Policy for Dealing with Conflicts of Interest of Intermediaries

2. Objective

The objective of this Policy is to identify, prevent, manage, monitor and disclose conflicts of interest that may arise in the course of the Company's business activities. The Policy aims to ensure that the interests of clients are always given priority over the interests of the Company, its directors, employees, authorized persons and associates.

The Policy is framed in accordance with the applicable provisions of the Securities and Exchange Board of India (SEBI) Regulations, circulars, stock exchange requirements and other applicable laws.

3. Applicability

This Policy shall apply to:

- Proprietor
- Key Managerial Personnel
- Compliance Officer
- Employees
- Dealers
- Authorized Persons
- Any other person acting on behalf of the Company

4. Definition

A conflict of interest arises whenever the personal interest of the Company or any employee, director, associate or related party interferes, or appears to interfere, with the duty owed to clients or with the fair functioning of the securities market.

Conflicts may be:

- Actual Conflict
- Potential Conflict

- Perceived Conflict

5. Guiding Principles

The Company shall:

- Act honestly, fairly and professionally.
- Protect the interests of clients at all times.
- Avoid situations leading to conflicts of interest.
- Ensure transparency in all dealings.
- Maintain integrity and independence.
- Comply with all SEBI Regulations and Exchange requirements.

6. Identification of Conflicts

Conflicts of interest may arise in the following situations:

A. Client vs Company

- Proprietary trading competing with client orders.
- Allocation of investment opportunities.
- Preferential execution of proprietary trades.

B. Client vs Client

- Allocation of limited investment opportunities.
- Handling confidential information of competing clients.
- Simultaneous opposite orders.

C. Employee vs Client

- Front running.
- Insider trading.
- Personal trading based on client information.
- Gifts influencing decisions.

D. Company vs Employee

- Incentive structures encouraging unsuitable advice.
- Pressure to achieve sales targets.
- Misuse of confidential information.

7. Measures to Prevent Conflict

The Company shall implement the following controls:

7.1 Chinese Walls

Separate departments shall maintain strict information barriers between:

- Trading
- Research
- Compliance
- Risk Management
- Operations
- Back Office

Confidential information shall not be shared except on a need-to-know basis.

7.2 Personal Trading Restrictions

Employees shall:

- Follow Employee Trading Policy.
- Obtain prior approval wherever required.
- Avoid trading using unpublished price sensitive information.
- Comply with SEBI (Prohibition of Insider Trading) Regulations.

7.3 Fair Treatment

The Company shall:

- Execute client orders fairly.
- Follow price-time priority.
- Avoid preferential treatment.
- Ensure equal access to services.

7.4 Confidentiality

Client information shall remain confidential unless:

- Required by law;
- Directed by SEBI, Exchanges or statutory authorities; or
- Authorized by the client.

7.5 Gifts and Entertainment

Employees shall:

- Not accept gifts influencing business decisions.
- Declare gifts exceeding the prescribed internal limits.
- Avoid entertainment creating conflict.

7.6 Outside Employment

Employees shall disclose:

- Directorships
- Partnerships
- Consultancy
- Outside employment
- Financial interests

that may create conflicts.

8. Management of Conflicts

Where conflicts cannot be avoided, the Company shall:

- Identify the conflict.
- Assess its impact.
- Inform affected clients wherever necessary.
- Implement appropriate controls.
- Monitor the effectiveness of controls.
- Maintain records.

9. Disclosure

Material conflicts shall be disclosed to clients wherever necessary to enable informed decisions.

Disclosures shall be:

- Fair
- Clear
- Timely
- Complete

10. Prohibited Activities

Employees shall not:

- Front run client orders.
- Trade using UPSI.
- Misuse client information.
- Accept illegal gratification.
- Manipulate markets.
- Create artificial volumes.
- Give preferential treatment.
- Misrepresent products or services.

11. Reporting

Any employee identifying a conflict shall immediately report it to:

- Reporting Manager
- Compliance Officer

The Compliance Officer shall:

- Evaluate the conflict.
- Recommend mitigation measures.
- Maintain conflict records.

12. Monitoring

The Compliance Department shall periodically monitor:

- Employee trades.
- Client complaints.
- Order execution.
- Proprietary trading.
- Surveillance alerts.

13. Training

Periodic training shall be conducted covering:

- Conflict identification.
- Regulatory requirements.
- Ethical conduct.
- Reporting procedures.
- Case studies.

14. Record Keeping

The Company shall maintain records relating to:

- Conflict disclosures.
- Employee declarations.
- Monitoring reports.
- Complaints.
- Corrective actions.
- Board reviews.

Records shall be preserved in accordance with SEBI and Exchange requirements.

15. Roles and Responsibilities

Proprietor

- Approve the Policy.
- Review implementation.

- Ensure regulatory compliance.

Compliance Officer

- Monitor compliance.
- Investigate reported conflicts.
- Conduct training.
- Maintain records.
- Report material issues to the Board.

Employees

- Avoid conflicts.
- Report conflicts immediately.
- Maintain confidentiality.
- Comply with this Policy.

16. Review

The Policy shall be reviewed annually or earlier if required due to:

- Changes in SEBI Regulations.
- Exchange Circulars.
- Business changes.
- Internal audit observations.
- Regulatory inspections.

17. Non-Compliance

Violation of this Policy may result in:

- Disciplinary action.
- Suspension.
- Termination.
- Financial penalties.
- Regulatory reporting.
- Legal proceedings where applicable.

18. Policy Approval

This Policy has been approved by the Proprietor and shall become effective from the date of its approval.

